

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1278

SPONSOR: Appropriations Committee and Senator Peaden

SUBJECT: Human Services

DATE: March 25, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	_____	_____	AHS	Withdrawn
2.	Belcher	Coburn	AP	Fav/CS
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill provides additional clarification to the Department of Financial Services to specify that the Biomedical Research Trust Fund shall receive transfers from the Tobacco Settlement Clearing Trust Fund. Additionally, it allows for the investment of Biomedical Research Trust Fund balances either through the Chief Financial Officer or through the State Board of Administration. The bill also allows the balances of appropriations from the Biomedical Research Trust Funds to be expended over a period of three years because of the long term nature of biomedical research.

This bill amends ss. 17.41(5), 20.435(1)(h)(2), and 20.435(1)(h)(3), F.S.

II. Present Situation:

In 1999 the Legislature created the Lawton Chiles Endowment Fund, s. 215.5601, F.S., and the Florida Biomedical Research Program, s. 215.5602, F.S., which is funded from the proceeds of the Endowment Fund. The Florida Biomedical Research Program supports "research initiatives" that address the health care problems of Floridians in the areas of tobacco-related cancer, cardiovascular disease, stroke, and pulmonary disease. A Biomedical Research Advisory Council within the Department of Health advises the Department of Health on the biomedical research program. Also in 1999, the Legislature specified through s. 17.41, F.S., the mechanism to be followed for the disbursement of lawsuit settlement funds from the clearing trust fund to the tobacco settlement trust funds of the various agencies.

In 2000, the Legislature determined the need for a separate trust fund to account for funds dedicated to the Florida Biomedical Research Program from the Endowment Fund and created the Biomedical Research Trust Fund, s. 20.435(1)(h), F.S., within the Department of Health,

effective July 1, 2000. Section 17.41, F.S., was not amended at that time to include, under the description of trust funds eligible to receive a distribution, the Biomedical Research Trust Fund.

As the Florida Biomedical Research Program has evolved, program management has identified barriers to program operations related to the investment of fund balances and the length of time appropriations are available to be expended. The Department of Health, which administers the program, believes program operations could be improved if additional authority was granted to allow for flexibility in investment authority. Further, due to the nature of biomedical research, which frequently takes more than one year to accomplish, the department needs a longer period of authority for appropriations. Contracts with researchers are generally more than one year in length and can extend for several more years.

III. Effect of Proposed Changes:

This bill amends three sections of statutes related to the Biomedical Research Trust Fund to clarify distributions of funding, expand investment authority and to extend the availability of appropriations.

Section 1. Amends s. 17.41(5), F.S., to provide additional clarification to the Department of Financial Services to specify that the Biomedical Research Trust Fund can receive transfers from the Tobacco Settlement Clearing Trust Fund.

Section 2. Provides options for the investment of Biomedical Research Trust Fund balances either through the Chief Financial Officer or through the State Board of Administration through a change to s. 20.435(1)(h)(2), F.S.

Section 3. Amends s. 20(1)(h)(3), F. S., to allow the balances of appropriations from the Biomedical Research Trust Fund to be expended over a period of three years because of the long term nature of biomedical research.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None

C. Government Sector Impact:

This legislation has no fiscal impact on state agencies or state funds. The bill provides clarification to the Department of Financial Services related to transfer authority, expands investment options for the Department of Health related to the Biomedical Research Trust Fund and extends the period for the expenditure of Biomedical Research Trust Fund appropriations for up to three years from the date of the original appropriation.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
